

AMENDED IN ASSEMBLY APRIL 28, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1214**

**Introduced by Assembly Member Firebaugh**  
***(Coauthor: Assembly Member Levine)***

February 21, 2003

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An act to add and repeal Section 2827.10 of the Public Utilities Code, relating to energy resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1214, as amended, Firebaugh. Net energy metering: fuel cell customer-generators.

(1) Existing law, until January 1, 2006, requires electrical corporations, as defined, to provide eligible biogas digester customer-generators, as defined, with net energy metering, as defined, under a pilot program.

This bill, until January 1, 2009, would require every electrical corporation, as defined, to provide net energy metering, as defined, for eligible fuel cell customer-generators, as defined, until the total cumulative rated generating capacity used by the eligible fuel cell customer-generators equals 75 megawatts within the service territory of the electrical corporation. The bill would prohibit the combined statewide cumulative rated generating capacity used by the eligible fuel cell customer-generators in the service territories of all electrical corporations from exceeding 350 megawatts. Because a violation of these provisions would be a crime under existing law, this bill, by establishing a new crime, would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 2827.10 is added to the Public Utilities  
2 Code, to read:

3 2827.10. (a) The Legislature finds and declares both of the  
4 following:

5 (1) A program to provide net energy metering for eligible fuel  
6 cell customer-generators is one way to encourage substantial  
7 private investment in these energy resources, stimulate in-state  
8 economic growth, reduce demand for electricity during peak  
9 consumption periods, help stabilize California's energy supply  
10 infrastructure, enhance the continued diversification of  
11 California's energy resource mix, and reduce interconnection and  
12 administrative costs for electricity suppliers.

13 (2) The net energy metering program authorized pursuant to  
14 this section for eligible fuel cell customer-generators, which nets  
15 out generation charges against generation charges on a time-of-use  
16 basis, furthers the intent of Chapter 7 of the Statutes of 2001, First  
17 Extraordinary Session, by facilitating the implementation of  
18 energy efficiency programs in order to reduce consumption of  
19 energy, reduce the costs associated with energy demand, and  
20 achieve a reduction in peak electricity demand.

21 (b) As used in this section, the following terms have the  
22 following meanings:

23 (1) "Electrical corporation" means an electrical corporation,  
24 as defined in Section 218.

25 (2) "Eligible fuel cell electrical generating facility" means a  
26 facility that includes the following:

27 (A) Integrated powerplant systems containing a stack, tubular  
28 array, or other functionally similar configuration used to  
29 electrochemically convert fuel to electric energy.

1 (B) An inverter or fuel processing system where necessary.

2 (C) Other plant equipment, including heat recovery equipment,  
3 necessary to support the plant's operation or its energy conversion.

4 (3) "Eligible stationary fuel cell customer-generator" means a  
5 customer of an electrical corporation that meets all the following  
6 criteria:

7 (A) Uses a fuel cell electrical generating facility with a capacity  
8 of not more than one megawatt that is located on or adjacent to the  
9 customer's owned, leased, or rented premises, is interconnected  
10 and operates in parallel with the electric grid while the grid is  
11 operational or in a grid independent mode when the grid is  
12 nonoperational, and is sized to offset part or all of the eligible fuel  
13 cell customer-generator's own electrical requirements.

14 (B) Is the recipient of local, state, or federal funds, or who  
15 self-finances projects designed to encourage the development of  
16 eligible fuel cell electrical generating facilities.

17 (C) Uses technology that meets the definition of an  
18 "ultra-clean and low-emission distributed generation" in  
19 subdivision (a) of Section 353.2.

20 (D) The facility, at time of installation, is located in a  
21 community with the most significant exposure to air contaminants  
22 or localized air contaminants, or both, including, but not limited  
23 to, communities of minority populations or low-income  
24 populations, or both.

25 (4) "Net energy metering" means measuring the difference  
26 between the electricity supplied through the electric grid and the  
27 difference between the electricity generated by an eligible fuel cell  
28 customer-generator and sent to the electric grid as described in  
29 subdivision (e). Net energy metering shall be accomplished using  
30 a time-of-use meter capable of registering the flow of electricity  
31 in two directions. If the existing electrical meter of an eligible fuel  
32 cell customer-generator is not capable of measuring the flow of  
33 electricity in two directions, the eligible fuel cell  
34 customer-generator shall be responsible for all expenses involved  
35 in purchasing and installing a meter that is able to measure  
36 electricity flow in two directions. If an additional meter or meters  
37 are installed, the net energy metering calculation shall yield a  
38 result identical to that of a time-of-use meter.

39 (c) Every electrical corporation shall, not later than March 1,  
40 2004, file with the commission a standard tariff providing for net

1 energy metering for eligible fuel cell customer-generators,  
2 consistent with this section. Every electrical corporation shall  
3 make this tariff available to eligible fuel cell customer-generators  
4 upon request, on a first-come-first-served basis, until the total  
5 cumulative rated generating capacity used by the eligible fuel cell  
6 customer-generators equals 75 megawatts within the service  
7 territory of the electrical corporation. The combined statewide  
8 cumulative rated generating capacity used by the eligible fuel cell  
9 customer-generators in the service territories of all electrical  
10 corporations in the state may not exceed 350 megawatts.

11 (d) Except as set forth in subdivision (e), each net energy  
12 metering contract or tariff shall be identical, with respect to rate  
13 structure, all retail rate components, and any monthly charges, to  
14 the contract or tariff to which the customer would be assigned if  
15 the customer was not an eligible fuel cell customer-generator. Any  
16 new or additional demand charge, standby charge, customer  
17 charge, minimum monthly charge, interconnection charge, or  
18 other charge that would increase an eligible fuel cell  
19 customer-generator's costs beyond those of other customers in the  
20 rate class to which the eligible fuel cell customer-generator would  
21 otherwise be assigned are contrary to the intent of *the* Legislature  
22 in enacting the act adding this section, and may not form a part of  
23 net energy metering tariffs.

24 (e) The net energy metering calculation shall be made by  
25 measuring the difference between the electricity supplied to the  
26 eligible customer-generator and the electricity generated by the  
27 eligible customer-generator and sent to the electric grid.

28 (f) This section shall remain in effect only until January 1,  
29 2009, and as of that date is repealed, unless a later enacted statute,  
30 that is enacted before January 1, 2009, deletes or extends that date.

31 SEC. 2. No reimbursement is required by this act pursuant to  
32 Section 6 of Article XIII B of the California Constitution because  
33 the only costs that may be incurred by a local agency or school  
34 district will be incurred because this act creates a new crime or  
35 infraction, eliminates a crime or infraction, or changes the penalty  
36 for a crime or infraction, within the meaning of Section 17556 of  
37 the Government Code, or changes the definition of a crime within



1 the meaning of Section 6 of Article XIII B of the California  
2 Constitution.

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